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ABSTRACT

Public policy generally recognizes two basic facts about the importance of child care: child care assistance is essential if low-income mothers are to move toward self-sufficiency; and high quality supportive child care can help to provide children, and low-income children in particular, with the foundation they need to do well in school and become productive adults. However, public policy fails to recognize that members of the populations targeted for these programs are often also members of the same family. This paper argues that a single program, constituting a family support service, can meet the needs of both parents and children. The discussion provides details of such a program, and explores (1) the needs of parents, in terms of requirements for program participation and duration of child care assistance; (2) delivery systems, such as contracts, vouchers, and, with emphasis on its negative aspects, the Title IV-A Child Care Income Disregard; (3) costs of care; (4) children's needs; (5) school-age child care; (6) child care for children of adolescent parents; (7) transportation; and (8) the crisis in the overall supply of child care. (RH)

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Child Care Issues to Consider in the Development of Employment and Training Programs

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Public policy generally recognizes two basic facts about the importance of child care. The first is that child care assistance is essential if low-income mothers are to participate in training programs, attend school, or obtain and hold jobs which will move families toward self-sufficiency. The understanding of this concept is reflected in programs such as the Massachusetts ET Choices program which includes an $18 million dollar child care component.

The second generally accepted fact about child care is that high quality supportive child care can help to provide children, particularly low-income children, with the foundation needed to do well in school and become productive adults. This understanding is evidenced by the attention and funding that comprehensive preschool programs are receiving in many state legislatures.

However, for the most part, public policy has failed to recognize that the populations targeted for these programs, low-income adults in employment/training programs and low-income children in preschool programs, are often part of the same families. This means that in order for child care programs to work effectively, they must be tailored to the needs of families. The failure of public policy to recognize this results in creation of child care programs that may meet the needs of individual family members, but fail to meet the needs of families. For example, most new state-sponsored preschool/early childhood development programs only operate two and a half to three hours, making it difficult for low-income parents in full-time training programs or holding full-time low wage jobs to avail themselves of these programs. On the other hand, when

funding for child care assistance that serves low-income parents, such as Title XX, is debated, it is often in the construct of such limited resources that the resulting care may be custodial at best. Public policy must begin to recognize the connections and weave the two strands together. Child care policies and programs, to be effective in moving families out of poverty, must address the employment and training needs of parents as well as the developmental needs of children. These needs are not mutually exclusive. A single program, if well designed and adequately funded, can meet both sets of needs and be a family support service.

THE NEEDS OF PARENTS:

The critical role of child care assistance in helping mothers acquire skills, find and hold jobs is well documented.

A 1982 Census Bureau survey asked mothers not in the labor force whether they would work if child care were available at a reasonable cost. Forty-five percent of the survey replied affirmatively, as did 36 percent of all mothers (single parents and those in two-parent households) with family incomes under $15,000.

The California Governor's Child Care Task Force commissioned the Gallup Poll organization to conduct telephone interviews with 1,200 California parents. One-quarter of all parents who were homemakers or unemployed, reported that inadequate child care arrangements kept them from working or attending training outside the home. This figure rose to one-third in single parent households.

A recent study by the National Social Science and Law Center exploring barriers to employment for single mothers receiving AFDC benefits in Washington State confirms the importance of child care. Nearly two-thirds of the respondents cited difficulty with child care responsibilities as a primary problem in seeking and keeping jobs. Over half of the women reported that the costs of working, including the cost of transportation, clothing, and child care, presented further difficulties in their working.

Seventy-six percent of the women in the survey, who had given up looking for work, cited child care difficulties as preventing their search for or attainment of employment. The majority of the women surveyed, almost 90 percent, had children under 12, but more than half had children under six.

Participation Requirements

Obviously, the first question in shaping a training/child care policy is how participation is determined. While mothers of young children should not be compelled to register for work programs, the option of voluntary participation should be made available to them, as it is in Massachusetts where one-third of the participants in the ET Choices program are parents of children under six. A mandatory requirement is not viable for several reasons. It places children whose parents do not comply with the requirement in jeopardy of losing their basic subsistence. Even if child care is a right under a mandate to participate in a work and training program, many parents will be hesitant to assert their right if it is not made clear at the

outset that the availability of child care is linked to their participation. Defining what type of child care is acceptable also creates confusion. A loose definition could result in potentially harmful child care while strict definitions may not meet a particular family's individual needs and may be impossible to meet given the limited supply of child care. Finally, a mandatory requirement, which includes a guarantee of child care for all participants, places an unrealistic burden on already weakened child care system.

In order to make participation a viable option for parents, child care financial assistance must be made available. The child care should be tailored to the schedule and resources of the parent. For example, when a mother first begins participation in a full-time training program, chances are that she will have little or no income, but will need a great many hours of child care. For families like this the care should be provided free of charge.

Duration of Child Care Assistance

While it may be stating the obvious, child care assistance must be provided for the duration of the parents' training period if the parents are to complete the program and gain the skills that they will need for employment. However, in response to drastic reductions in federal funding for child care assistance in 1981, over 20 states either completely eliminated parents in training and school from eligibilty for Title XX child care assistance, or severely limited the type of training or education

programs that parents could attend in order to be eligible for child care assistance. Many states have limited eligibility for child care assitance to parents in single year training programs. This policy has left parents in two-, three-, and four-year training and education programs without child care assistance for a substantial portion of their training period. In the absence of such assistance, many parents cannot complete training and obtain the skills necessary to obtain employment.

Beyond this, child care assistance must be continued during the period of job search. Despite findings on the importance of child care assistance during job search, limited resources and short-sighted policies remove child care assistance upon a mother's completion of training. Child care assistance should not be provided for an arbitrarily determined number of weeks or months of job search, but should be made available as long as there are indicators that a parent is actively seeking employment and after the employment is secured if the family remains low-income.

The average cost of licensed child care nationally is estimated at $3,000 per year per child. A single mother with two children who successfully completes a training program and secures a full-time entry level job at minimum wage, earns $6,700 annually. It is obvious that her budget will not allow her to spend $6,000 a year for child care expenses. Moreover, abrupt removal of all child care assistance at this point would have the effect of economically punishing this mother for the steps that she has taken toward self-sufficiency. If put in a position of

having to shoulder the burden of the total costs of child care by herself, this mother might give up hope of becoming self-supporting and return to dependence on AFDC and other transfer payments. Alternately, she might attempt to piece together a network of low-cost or no-cost child care arrangements, including relatives and unlicensed child care providers. Such arrangements are, more often than not, very fragile and unreliable. Unreliable child care arrangements make for unreliable employees and such employees often lose their jobs. They also may not provide supportive care for young children. Either way, lack of continued child care assistance can lead to a training program's failure to keep its promise to participants, policymakers, and taxpayers.

Sensible policy would provide continued child care assistance. Such a policy would not base families' eligibility for assistance on an arbitrary period of time such as a year after completion of the training program or even a year after employment has been secured. Currently the guarantee of at least a one-year transition, like that offered by the Massachusetts ET Choices Program, is considered exemplary. However, a more realistic approach would consider the very limited budgets of families dependent on the salary of an entry level wage earner. Such a policy would peg eligibility to a family's income and would provide assistance on a sliding fee basis with the state's share of the cost gradually decreasing as family income rose allowing families to bear a larger and larger portion of the

cost.

Another issue that must be grappled with around continuity of care involves mothers who move from part-time training into full-time jobs, those who go through several short training components with different schedules, as well as parents who work permanently part time. If a parent moves in and out of situations with different schedules with the ultimate goal of a full-time job, it may be sensible to place a child immediately in a stable full-time child care situation. In order to give parents flexibility to be with their children, while meeting the provider's need for a stable income, reimbursements should cover excused absences. Another problem in terms of arranging for supportive child care arrangements arises when a parent, for a variety of reasons, works part time. Many child care programs are hesitant to accept children who do not pay for a full day because their budgets are dependent on serving a certain number of children and a part-time slot means less revenue. This problem could be alleviated if programs are reimbursed on a full-time basis for children in care more than five hours. Providers who may not be willing to take a child on a part-time basis will do so if full-time reimbursement is offered. Travel time needed to get to and from work or training should be included when determining hours of reimbursable care.

DELIVERY SYSTEMS

Child care assistance must be provided directly either through a contracted system or a combination of contracts and vouchers. The Title IV-A Child Care Income Disregard is so seriously flawed that it should not be the basis of any new and forward looking child care policy.

The chief advantage of using a contracted system is that it provides a measure of stability to the child care system. Many child care centers operating in low-income neighborhoods could not keep their doors open if their sole source of income were parent fees. State contracts provide the financial stability necessary to keep such facilities open. Several states used contracts as a quality control by requiring facilities under contract to meet more stringent regulations.

However, even a very large contract system cannot assure every eligible family space in a conveniently located facility. Vouchers can add some flexibility for parents if they are properly administered. Providing parents with vouchers for use in state-regulated programs can allow parents more options as well as simplify transportation arrangements. Vouchers, like contracts, can be used as a quality control mechanism if states apply the same regulatory standards to child care facilities accepting vouchers that are applied in their contract system.

Despite the advantages offered by vouchers, a state's contracted system should not be eliminated and replaced by vouchers. Complete elimination of contracts would destabilize a state's child care system and probably have the effect of

shrinking the overall supply of child care. The optimum situation would have vouchers run alongside or supplementing a contracted system. It would also not allow for the use of vouchers without requiring that families receive an extensive child care orientation when they enter a work or training program, and that they use resource and referral programs to help them locate appropriate care. Such a child care orientation, which should happen regardless of the delivery system, would familiarize parents with the child care that they are entitled to, what to look for in a child care situation, how to find good child care, and how the state will help them pay for child care.

In Massachusetts, the ET voucher programs are managed by non-profit agencies. These agencies have a staff person working out of the welfare office at which clients sign up for ET. This helps to ensure that participants are made aware of the ET child care provisions immediately. It also saves them a trip to a second agency.

The Title IV-A Disregard is an unacceptable means to provide child care for several reasons.

First, through the Title IV-A Disregard, families with exceedingly low incomes are reimbursed after the fact for child care expenses. Because a family's current AFDC benefits are calculated on the family's expenses for the previous month, these benefits may not reflect increases in current child care costs. Often, a family's day care costs are not reflected in the AFDC grant until two months later. Welfare families cannot afford to

carry this expense in the interim. Many child care programs, which are also operating on limited budgets, cannot wait one or two months for the family to receive its AFDC check and pay for services provided.

Second, because of the method in which the Child Care Disregard is used to calculate a family's AFDC grant, these families can end up with less available income than working AFDC families who receive child care support through Title XX. The Child Care Disregard is subtracted from a family's earned income before the $30 and 1/3 disregard (which increases the size of a family's earnings before the size of the grant is calculated.) Because a family's child care expenses are subtracted from its earnings first, the size of the $30 and 1/3 disregard is lowered. If, on the other hand, the family's child care costs were paid through Title XX, the family could receive a larger $30 and 1/3 disregard for working families after they have been on AFDC for four months.

Third, child care centers that receive Title XX funding must meet minimum state or other applicable standards regarding the quality of care they provide. Under Title IV-A, families must locate their own sources of child care, which often are not required to meet similar standards for quality.

The fourth reason why the Title IV-A Disregard does not work well for families is that families are limited to a maximum child care disregard of only $160 a month per child, regardless of the cost of care. States can set even lower maximums for part-time care. This limits families' access to quality care that probably

actually costs far more.

Finally, AFDC benefits in most states are intolerably low, failing to provide even a minimum level of decency. A family's out-of-pocket costs for child care must compete with other even more basic needs, such as heat, food, and clothing. Because the $160 a month cap on child care deductions does not reflect the real cost of care--which often ranges between $2,200 and $3,200 a year for center-based programs in urban areas--a family must be willing to make up the difference if it chooses care in a child care center. Poor working families on AFDC simply cannot afford to make up this difference.

The final point in regard to the use of the disregard pertains to the issue of quality of child care. There is no requirement that the care be regulated, and the payment level is too low to ensure that parents will be able to purchase quality care. This brings us to the question of what elements are vital to supportive child care and what type of child care employment and training programs must provide to meet the needs of children.

COST OF CARE

Whatever the delivery system, parents must be guaranteed child care assistance which allows them to purchase supportive child care arrangements. At a minimum, care programs for work and training participants cannot be funded at a lower rate than the state subsidy level for other child care programs. These rates are often so low that providers are resistant to care for children whose parents receive state assistance for child care.

CHILDREN'S NEEDS

State-level policymakers have rediscovered the positive long-term effects of "preschool" and "early childhood development" programs such as Head Start on low-income three- and four-year-olds. Changed Lives, a 20 year follow-up of graduates of a preschool program like Head Start, found that the preschool program helped children once they are in school and had an impact on them for many years. Compared to their peers without a similar experience, preschool graduates were much more likely to graduate from high school and were less likely to be misclassified as mentally retarded or in need of special education. Children with preschool education did better on standardized achievement tests in reading, language, and math, and were more likely to go on to vocational or academic training after high school.

The study also found that the advantages gained by preschoolers continue into adulthood. They are more likely to be working hard and to be satisfied with their jobs, they spend more time employed after graduation, and have better paying jobs than non-attendees.

Recognizing the importance of a group early childhood development experience, an increasing number of families are seeking a preschool center or nursery school experience for their three- and four-year-olds. Sixty-seven percent of four-year-olds in families with incomes over $35,000 a year attended a preschool program in 1985 as contrasted with only 33 percent of those in lower-income families.

Many states, realizing the benefits of preschool and the fact that many children who might benefit from such an experience come from families who cannot afford to pay for the costs of these programs, have allocated funds for preschool programs to serve primarily low-income children. Programs range from Minnesota's Early Childhood Family Education Program, which provides only a few hours a week of support to new parents, to very comprehensive programs like that of Washington State which recognize that to reach low-income children child care must include health, nutrition, social services, and parent involvement as well as education. The growing activity at the state level, indicates a very strong interest in and understanding of the benefits of early childhood education for low-income children.

It is the children of parents targeted as participants in full-time employment training programs who are also the focus of many of the resulting preschool programs. Ironically, tne majority of these programs are half-day, only operating two and a half to three hours with the same vacation patterns as public schools. This means that parents in full-time training programs or who have full-time low wage jobs find it difficult to enroll their children in these beneficial programs without making a series of complex arrangements for their children for the other seven to seven and a half hours of the working day, holidays and summer vacations. Child development experts are increasingly fearful that being shifted from one child care situation to

another, and possibly even a third, in the course of a day is potentially harmful for children. However, they would probably agree that such arrangements are better than the alternative which is leaving these young children unsupervised for some period of the working day. This not only adds to the already large pool of "latchkey" children, but also adds a new and younger age group.

Current public policies view preschool as somehow different than child care. However, preschool should not be seen as something separate and apart from child care, because in reality, high quality full-time child care programs contain the elements of a good preschool program. These elements include:

- Staff with education, training and experience in working with young children.
- Low adult/child ratios and small group size.
- Eligibility guidelines which guard against labeling children.
- Parent involvement in planning and operation.
- Sensitivity to cultural and ethnic differences.
- The use of age-appropriate curricula.
- The provision of a range of social and health services to the entire family.

With adequate funding, all of these elements can be folded into a full day program which will benefit employed parents, parents in training and their children. One approach to funding child care for preschool-age children whose mothers are participating in work or training programs could be to appropriate increased dollars for Head Start with an additional appropriation for child

care through the Title XX Social Services Block Grant both earmarked for this group of children. This would allow children to participate in Head Start part day and for Head Start programs to use Title XX dollars to extend their care to children of working parents.

Another key issue affecting the quality of child care revolves around caregivers' salaries. The provider payment level, no matter what the delivery system, must be high enough to encourage caring and qualified providers to accept subsidized children at their facilities. Inadequate provider rates all but ensure inadequate child care. This brings us to the question of what type of child care employment and training programs must provide to meet the needs of children.

On the issue of quality, it is terribly important that policymakers, in designing the child care components of job training programs, do not contribute to the development of a "two-tier" child care system, a system in which the state funds a lower quality of care for the children of "workfare" participants than for other low-income children. The ET Voucher program in Massachusetts provides a safeguard against the creation of such a system with the requirement that vouchers only be used in state-regulated facilities and only allow for 90 days a year of emergency babysitting.

California's GAIN program is somewhat more worrisome in regard to a two-tier system. The state mandates that parents with children over six years of age or older participate in GAIN. Both licensed providers and those who are exempt from licensing

such as relatives can be reimbursed for this care. The legislation allowed for this on the theory that mandatory participation of the parents of school-age children would increase the demand for school-age child care to a point at which it could not be met in licensed facilities. Legislators were also concerned about the high costs of developmental child care and felt that less expensive options should be encouraged. While the legislation does set aside funds for construction and rennovation of child care facilities, there was the understanding that the supply of licensed care could not be expanded quickly enough to meet the timetable established for the implementation of GAIN.

California child care programs have traditionally been under the auspices of the Department of Education. However, GAIN child care programs are the responsibility of the state's Department of Social Services. Some fear that counties, which have responsibility for administering the program, in seeking to save dollars, may encourage GAIN mothers to use informal low-cost care. A partial safeguard against this is the fact that the legislation also requires county welfare offices to refer GAIN parents to state-funded Resource and Referral programs. However, if during an initial visit mothers are not given a clear understanding of the help they can get from the R&R or encouraged to visit them, they may end up not taking advantage of their assistance. One county avoids this situation by having their R&R administer the voucher program as well as make referrals to child

care. They conduct an orientation session on child care for all participants. In another county, however, the local R&R's name is simply included in an recipient's information packet. To date, this R&R has received very few calls from GAIN participants. Whatever the outcome, advocates and administrators should pay close attention to GAIN for it will surely yield some important lessons for future programs.

Four additional issues must be considered in the development of the child care component of an employment/training program: the first is the age of children eligible for subsidized child care, the second is the need to consider the special circumstances of adolescent parents, the third is transportation, and fourth is the overall supply of child care.

SCHOOL-AGE CHILD CARE

Work training programs for low-income parents should not only provide child care assistance to parents of preschool children, but also parents of school-age children. The ET Voucher Program in Massachusetts provides care up to age 15. Good school-age child care programs would obviously require some measure of "extra" investment by the state. School-age child care can help keep low-income children "on track" - that is help them succeed academically and help them avoid potentials for delinquent behavior. Such an investment would be a wise one for states interested in reducing rates of delinquency, academic failure, and school drop-outs.

School-age child care is receiving increased attention by policymakers. Fourteen states now fund some type of school-age child care initiative, but only two states, California and Indiana, allow funds to be used on an on-going basis to provide subsidies to low-income children. The remaining states only supply start-up funds, which do not help low-income families who cannot afford the $15 to $40 a week fees. Most initiatives also do not focus on young adolescents. There is also a very small amount of federal money for school-age child care, but it is also only available for start-up costs.

CHILD CARE FOR CHILDREN OF ADOLESCENT PARENTS

Child care is an essential service if adolescent parents are to be able to finish high school or participate in job training programs. Child care not only gives these very young women the opportunity to attend school, but also helps them gain parenting skills by participating in classes and working with their infants and toddlers.

In order to help these young families, a separate child care allocation should support comprehensive child care programs which work with infants, teen parents as well as their families, are located in or near schools and provide transportation for mothers and their infants. The content and duration of these programs should be carefully defined in legislation. Care should be provided at least through the toddler stage at the school site or in supportive programs convenient to schools. Given the difficulty of finding child care at a reasonable price as well as

the complex responsibilities teen parents face, it is counterproductive to cut off child care assistance only after a few months. Such policies remove a crucial support required to finish high school. Parent education and counseling which involve fathers as well as mothers, must also be key elements of these programs. Funding for off-campus child care must also be available to mothers seeking a GED or enrolled in non-school-based training or education.

In addition to these two funding streams, we should explore the possibility of adding dollars to Head Start earmarking a percent of the funds to allow Head Start programs with an outstanding track record of reaching low-income parents as well as children to provide child care for infants and toddlers of adolescent parents.

TRANSPORTATION

Even if child care is provided free, it is of little use to a mother unless she has access to the program. Transportation is a vital support service which can not be overlooked in the design or funding of child care programs. Since most low-income families do not have cars, provisions must be made to assist mothers in getting to training programs as well as getting their children to child care programs. In urban areas, families can generally use public transportation, but this is expensive. In New York City, transportation could cost a mother at least $20 a week. In cases like this, funding must be included to help with transportation costs. In rural and suburban areas with less

extensive public transit systems, as well as when school-age children are transported between schools and off-site child care programs, it is necessary to provide transportation directly.

THE SUPPLY OF CHILD CARE

The third important issue goes far beyond employment/training programs. It is the crisis in the overall supply of child care, especially care for infants and school-age children. It is simply not enough anymore to add a child care subsidy stream to an employment/training program, nor is it enough to increase the amount of funds flowing through that stream. Resources must be put into place to add to the total supply of child care. In North Carolina and Minnesota, new subsidy funds could not be absorbed immediately, not because there was no need for the increases, but because there were not enough child care facilities to use the new funds. ET administrators report shortages of infant care and school-age child care for the children of ET participants.

California included $36.5 million for capital improvements and relocatable facilities for school-age child care programs in the GAIN legislation. The state also has a revolving no-interest loan program for start-up and expansion of child care facilities, and the state in concert with the private sector has just launched a $950,000 recruitment and training program for child care providers.

Massachusetts is beginning to address the supply issue with a $750,000 loan program. The monies, which are administered by the

Massachusetts Industrial Finance Agency (MIFA), are available at interest rates just above the prime rate. Employers, both profit and non-profit may borrow funds to help meet costs incurred in the development of child care facilities for employees. Within a week of the announcement of the MIFA fund, New England Telephone announced a $750,000 matching grant program for child care providers to help them start up and expand child care programs.

Supply for ET participants was a key issue prior to the establishment of the loan fund. The voucher management agencies and/or Resource and Referral agencies devote a considerable amount of time recruiting family day care homes primarily for infants and toddlers. The state is now also seeking to develop training opportunities for family day care providers who are not connected to systems which automatically offer training.

Alaska, Connecticut, and Maryland also have low-interest loan programs for child care start-up and expansion. Chicago Community Trust has developed a pilot loan program with the state, in which the trust makes the loan and the state pays back the interest through higher reimbursement rates for participating providers. Iowa has a grant program for physical improvements to child care facilities.

While the issue of child care supply is too large to be successfully addressed by employment/training programs alone, it is an issue which cannot be overlooked in the design of such programs.

Child care components of employment/training programs must be carefully designed with an understanding of both the

employment and training needs of the parents and the developmental needs of the children in mind. The goals of these programs, moving the entire family out of poverty permanently, cannot be achieved unless the child care components respond comprehensively to a family's needs. Moreover, the programs cannot and should not be designed in a vacuum. Rather, they should be approached with an understanding of current child care resources and the intention of integrating the program into the existing system. They should be structured to make the most efficient use of existing and new resources and with the intent of, wherever possible, strengthen rather than stretching the system. Child care is a needed and necessary part of employment/ training programs, but it must be seen as more than just that. Child care whose only goal is keeping parent in the training programs will fall short of everyone's expectations.